

GLOBAL & REGIONAL DAILY

November 23, 2023

Global markets

The majority of Asian bourses ended modestly higher today, tracking US equity markets' gains yesterday that took the S&P 500 index within touching distance of its year-to-date highs, in reaction to positive US jobless claims data and the MBA's weekly data which suggested that the recent fall in long-term borrowing costs is filtering through to the real economy. Meanwhile, ahead of today's Thanksgiving holiday and the release of preliminary November PMIs across the globe, short-dated USTs ended lower yesterday in the aftermath of the final November UoM survey which showed that the median five-year inflation expectation was left unrevised at a 12-year high of 3.2% against expectations for a downward revision from October's 3.0%. In other news, the attempt of the DXY USD index yesterday to move above 104 proved short-lived, while oil prices recovered from yesterday's lows, though still trading below recent highs earlier today following news that the OPEC+ meeting scheduled for Nov. 25-26 was postponed to Nov. 30.

Greece

The real gross income per capita, adjusted for social transfers in kind, was up by 1.6% in 2022, recording the second largest increase in EA20 (average: -0.9%), according to Eurostat. Nevertheless, after having posted positive values in 2020 (1.4%) and 2021 (2.1%), the gross household saving rate turned negative (-4.0%), returning to the negative territory it had been stranded in since 2012. All other EA20 countries recorded positive household saving rates, with average standing at 13.7%. On other news, Greece submitted yesterday its third Recovery and Resilience Facility (RRF) payment request of €1.84bn to the European Commission. This follows the endorsement by the latter of its modified recovery and resilience plan, with grants now amounting to €18.2mn (from €17.8 previously), and loans amounting to €17.7mn (from €12.7bn). The third RRF grant payment request of €1.72bn, filed in May-23, is still pending.

CESEE

According to the concluding statement of the IMF Article IV consultations for Czechia, the fund sees downside risks to the country's economic recovery in 2024. The IMF revised downwards its GDP projections for both 2023 and 2024 in its Article IV report relative to its latest World Economic Outlook (WEO) report in October, as GDP is now expected to contract by 0.4% in 2023 and rise by 1.2% in 2024, against forecast GDP rises in the WEO by 0.5% in 2023 and 1.7% in 2024. Subdued public investment and the transition to the current EU Multi-annual Financial Framework are behind expected slower recovery in 2024. In other news from the region, mixed first signs from economic activity in October in Poland. Real retail sales returned to growth grounds for the first time this year, rising by 2.8%YoY, against a 0.3%YoY fall in September and above market expectations for a 1.7%YoY increase. By contrast, construction output growth slowed to 9.8%YoY in October from 11.5%YoY a month earlier, coming below market expectations (+11.0%YoY).

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